

Message Text

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ACTION EA-09

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 OMB-01 TRSE-00 EB-07 AID-05 OPIC-03 IO-13

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FM USLO PEKING

TO SECSTATE WASHDC 6461

INFO AMCONSUL HONG KONG

AMEMBASSY BANGKOK

AMEMBASSY VIENTIANE

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY MOSCOW

CINCPAC FOR POLAD

C O N F I D E N T I A L PEKING 1944

E.O.11652: XGDS-1

TAGS: PFOR, VN, CA

SUBJECT: CANADIAN AMBASSADOR'S VISIT TO VIETNAM

REF: HONG KONG 11186 (NOTAL)

1. CANADIAN EMBOFF HERE WHO ACCOMPANIED AMBASSADOR SMALL
ON HIS WEEK-LONG TRIP TO HANOI AND SAIGON PROVIDED
ADDITIONAL DETAILS CONCERNING VISIT DURING SEPTEMBER 23
CONVERSATIONS WITH USLO OFFICERS.

2. INVESTMENT POLICY. HANOI HAD JUST ANNOUNCED A NEW
POLICY ENCOURAGING FOREIGN INVESTMENT ON THE BASIS OF
51-49 VIETNAMESE MAJORITY CONTROL, AND BOTH PHAM VAN DONG
AND VICE FOREIGN MINISTER PHAN HIEN PLACED CONSIDERABLE
STRESS ON THIS AS A SIGN OF THEIR SINCERITY IN WELCOMING
ECONOMIC TIES WITH WESTERN COUNTRIES. CANADIANS MET A
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SANYO REPRESENTATIVE ON THEIR TRIP TO THE SOUTH WHO

GAVE THEM IMPRESSION THAT A NUMBER OF JAPANESE FIRMS WERE INTERESTED IN TAKING ADVANTAGE OF NEW POLICY. CANADIAN SOURCE WAS UNCERTAIN WHETHER INVESTMENT POLICY WOULD BE APPLIED TO THE NORTH, SINCE IT WAS PRESENTED TO THEM AS BEING DIRECTED AT REHABILITATION OF SOUTH VIETNAM.

3. RELATIONS WITH NEIGHBORS. VIETNAMESE REFUSED TO BE DRAWN INTO DISCUSSION OF THEIR TROUBLES WITH CHINA, CHARACTERIZING BORDER INCIDENTS, WHEN PRESSED, AS VERY MINOR. ASKED POINT-BLANK ABOUT SINO-VIETNAMESE CONTROVERSY OVER SPRATLEY, VIETNAMESE DECLARED "WE WILL SOMEDAY HAVE TO SIT DOWN AND DISCUSS JURISDICTION OVER THE ISLANDS" WITH THE CHINESE. CANADIANS, WHO WERE IN HANOI WHEN CHAIRMAN MAO'S DEATH WAS ANNOUNCED, REPORTED THAT ANNOUNCEMENT HAD LITTLE EFFECT ON VIETNAMESE. HANOI LEADERS ALSO SPOKE DISPARAGINGLY WHEN COMMENTING INDIRECTLY ON CHINESE CULTURAL POLICIES, POINTING OUT THAT VIETNAM'S BRAND OF SOCIALISM WAS NOT DESIGNED TO STIFLE TRADITIONAL CULTURAL VALUES.

4. ASKED ABOUT CAMBODIA, VIETNAMESE CLAIMED THAT THEY WERE NOT WELL INFORMED ABOUT CONDITIONS WITHIN THAT COUNTRY, SINCE THE MOVEMENTS OF VIETNAMESE EMBASSY PERSONNEL IN PHNOM PENH WERE RESTRICTED.

5. SOVIET INFLUENCE. AMBASSADOR SMALL'S PARTY SAW SIGNS OF HEAVY SOVIET INVOLVEMENT IN VIETNAM. WHILE WALKING THE STREETS OF SAIGON, THEY WERE APPROACHED BY SMALL CHILDREN SPEAKING PIDGIN RUSSIAN-APPARENTLY VIETNAMESE ASSUME THAT A WHITE-SKINNED FOREIGNER NOWADAYS IS BOUND TO BE RUSSIAN. AGAIN, WHILE VISITING A SAIGON LACQUER FACTORY CANADIANS WERE TOLD THAT VIRTUALLY ALL THE OUTPUT WAS CONSIGNED TO MOSCOW.

6. THE ECONOMY. PHAM VAN DONG ADMITTED THAT VIETNAM STILL FACED SERIOUS ECONOMIC PROBLEMS, INCLUDING FOOD SHORTAGES. THE CANADIAN VISITORS WERE TOLD THAT FIVE MILLION SOUTH VIETNAMESE ARE TO BE MOVED FROM

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THE CITIES TO THE COUNTRYSIDE, OF WHOM THREE MILLION ARE FORMER VILLAGERS WHO FLED OR MOVED TO THE CITY DURING THE WAR. THEY WERE UNABLE TO JUDGE THE EFFECTIVENESS OF THIS PROGRAM, PARTICULARLY AS THEY DID NOT GO OUTSIDE SAIGON, BUT THEY WERE TOLD BY THE FRENCH CONSUL GENERAL THAT ABOUT 500,000 OF SAIGON'S RESIDENTS HAD SO FAR BEEN SENT OUT.

7. CANADIAN EMBOFF'S PERSONAL OBSERVATIONS BORE OUT CLAIM THAT THE ECONOMY IS IN TROUBLE. TRANSPORTATION SYSTEM IS STILL FAIRLY PRIMITIVE--CANADIAN VISITORS RODE ON ANCIENT TRAIN FROM CHINESE BORDER TO HANOI, THEN TO SAIGON ON RUSSIAN-MADE PLANE WITH NO CABIN PRESSURIZING EQUIPMENT. CONSTRUCTION MATERIALS ARE ALSO IN SHORT SUPPLY IN NORTH. DIPLOMATS IN HANOI ARE TOLD THEY MUST WAIT UP TO THREE YEARS FOR CONSTRUCTION OF CHANCERIES, AND SHOULD SUPPLY THEIR OWN LUMBER.

8. THE SAIGON SCENE. IN SAIGON, A BLACK MARKET OF SORTS CONTINUES TO EXIST, AS DOES PROSTITUTION (SOURCE WAS PROPOSITIONED DURING BRIEF WALK NEAR MAJESTIC HOTEL). SOUTHERN DONG IS NOT CONVERTIBLE WITH NORTHERN CURRENCY, AND VISITORS ARE TOLD THEY MUST BRING AMERICAN DOLLARS WHEN TRAVELLING TO SAIGON. SECURITY APPEARS TO BE A PROBLEM, AS AMBASSADOR WAS TOLD NOT TO STRAY FROM HIS HOTEL IN THE EVENING. GENERAL SAIGON SCENE NEVERTHELESS APPEARS FAIRLY RELAXED, AND FLOWING AO DAIS CONTINUE TO PROVIDE CONTRAST WITH DRAB CLOTHING IN HANOI.
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